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September 20, 2002

The Honorable Michael K. Powell Chairman, Federal Communications Commission The Portals Building II 445 Twelfth Street, S.W. Room 8B-201 Washington, D.C. 20554 PROPRIAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re:

Carriage of Digital Television Broadcast Signals

CS Docket No. 98-120

Dear Chairman Powell:

I am writing on behalf of Sinclair Broadcast Group, Inc. ("SBG") to bring to your attention a matter that should not be overlooked by the Commission in its consideration of the issue of must carry for digital television broadcast signals. SBG is the parent of the licensees of numerous television stations in both large and smaller markets across the country. A number of its stations are already operating with digital facilities and most of the others will be commencing operation this fall. SBG has been actively involved in the DTV transition, particularly on issues concerning the adoption of a DTV standard and the performance of DTV facilities. We have been very concerned that the absence of reliable over-the air DTV reception has dissuaded consumers from embracing digital television.

As you know, in the Second Report and Order and Second Memorandum Opinion and Order in the matter of *Review of the Commission's Rules and Policies Affecting the Conversion to Digital Television*, FCC 02-230, released August 9, 2002, the FCC denied the Petition for Reconsideration that had been filed jointly by the Association of Maximum Service Television, Inc., the National Association of Broadcasters and the Association of Local Television Stations which requested the Commission to reconsider its decision not to impose minimum performance thresholds for DTV receivers if manufacturers do not promptly implement performance standards on their own. MSTV/NAB/ALTV had argued that mandatory receiver performance requirements are needed to protect consumers and provide a realistic opportunity for the public to experience DTV services. They also submitted a study which indicated that the progress toward improvements in receiver performance has been slow and inadequate. Nevertheless, the FCC has chosen not to adopt minimum performance requirements but rather to limit its intervention in the receiver market to instances where there are clear problems of performance or capability.

Now the FCC has before it the cable must carry proceeding. In light of the recent decision not to adopt minimum performance requirements, SBG submits that the FCC needs to adopt a must carry rule now that will require cable companies to carry a broadcaster's entire free over the air digital programming stream and related matter. In the wake of the FCC's decision

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not to mandate minimum performance requirements, the receiver manufacturers have already expressed the belief that over the air television is not an important market. For instance, in the September 12, 2002 issue of *The New York Times*, Gary Shapiro, the President of the Consumer Electronics Association, is quoted as saying: "When the digital television transition started, we thought it would be driven by broadcasters. What were we thinking? Cable and satellite is where the action is." With this attitude, there is no incentive for equipment manufacturers to build receivers that are going to provide good over the air digital reception. With this attitude, reliance on the marketplace is not going to produce results.

Ubiquitous over the air reception was envisioned as the pathway to the success of digital television. Broadcasters are likely to be seriously affected if equipment manufacturers do not provide receivers that enable consumers to obtain a clear digital signal over the air. The over the air digital market will simply not develop. If cable companies are not required to carry broadcasters' digital signals, the digital transition will simply not take place via cable either. Cable companies are complaining that they should not have to carry both a broadcaster's analog and digital signals. But without dual carriage, there will be no beginning at all. Without dual carriage of analog and digital broadcast signals, there is a substantial likelihood that the digital transition will not succeed and both the broadcast industry and the consumers will be the losers.

Very truly yours,

Nat Ostroff

Vice President - New Technology

NO:lmr

cc: The Honorable Kathleen Abernathy
The Honorable Kevin J. Martin
The Honorable Michael J. Copps
Jane Mago, Esq.
Kenneth Feree, Esq.
Rich Chessen, Esq.